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## Confusion on Plans Delays Panama Settlement

### U.S. Awaits Clarification of Two Proposed Formulas

By TAD SZULO

Special to The New York Times

WASHINGTON, Feb. 27—

An expected settlement of the Panama crisis was delayed today in diplomatic confusion as to who represented the Panamanian Government in the negotiations.

As a result, the United States was reported to have decided to set aside two separate Panamanian proposals it had been considering and to await a new, unified approach from Panama.

At a news conference this afternoon, Secretary of State Dean Rusk said that there was "no agreement yet" with Panama and that he had not yet seen a formula that "is acceptable to both governments."

However, Mr. Rusk added, when the seven-week-old deadlock breaks, "it will break all at once."

#### Imminent Accord Denied

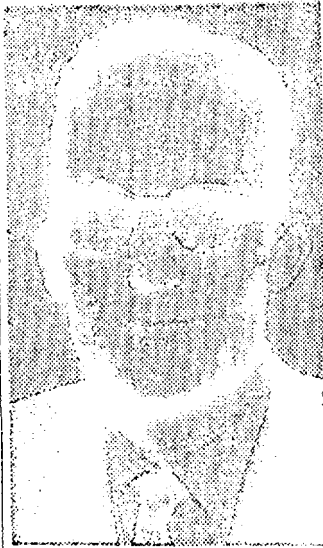
Earlier in the day, the Assistant Secretary of State for Inter-American Affairs, Thomas C. Mann, told a Congressional subcommittee that he regretted what he called the inaccuracy of reports published this morning that a settlement was imminent.

During testimony before the House Subcommittee on Inter-American Affairs, Mr. Mann said: "We are not any closer to an agreement now with Panama than we were two weeks ago."

Diplomatic sources said yesterday that an agreement seemed imminent. The United States was understood to be ready to accept, with some minor reservations, a compromise formula that the Panamanian Ambassador to the Organization of American States, Miguel J. Moreno Jr. submitted last Saturday.

This formula, apparently setting the stage for direct United States-Panama talks on the future of the 1903 Canal Zone treaty, had been described here as being "most promising."

It was expected that the State Department would submit it to President Johnson for approval and then discuss the final draft with the five-nation O.A.S. mediation subcommittee that has been conducting the negotiations.



Associated Press

Thomas C. Mann, who said no agreement was in sight.

#### Another Plan Presented

However, in the course of events yesterday, the United States received another formula from an informal mediation group at the United Nations.

The formula, which appeared here to be more concise and promising than the one prepared by Ambassador Moreno, resulted from a meeting last Friday between President Roberto F. Chiari of Panama and President Francisco Orlich of Costa Rica.

President Orlich had offered States - Panamanian dispute, his good offices in the United Panamanian and Costa Rican relations had not yet been found, though the United States "would hope that it could be."

Diplomatic relations were broken by Panama following the Canal Zone riots last month. Mr. Rusk said the problem was "to get back to the conference table, so that the two Governments can say whatever they have on their minds to each other."

#### Early Settlement Urge

Joseph S. Farland, former United States Ambassador to Panama said yesterday that a settlement of the Panama Canal issue could not wait until after the November elections.

The central issues of the dispute must be faced up to quickly, he said, because many Latin-American leaders are becoming discouraged with United States failure to come to grips with the basic problems. Mr. Farland made the remarks in an address to the annual meeting of the American Paper and Pulp Association here.

### Report of Imminent Accord Is Denied in Washington

Mr. Farland resigned as Ambassador last August. He was reported to have disagreed with some United States foreign aid policies.

subsequently worked out a new proposal that was sent to Washington through the United States Ambassador, Adlai B. Stevenson.

The authors of this formula were identified by diplomats as Panama's Ambassador, Dr. Aquilino Boyd, and the Costa Rican Ambassador, Fernando Volio Jiménez.

The confusion in Washington began when the Boyd-Volio formula arrived here and the question arose at the State Department whether it was Ambassador Boyd or Ambassador Moreno who spoke for the Panamanian Government.

At a meeting yesterday morning with the O. A. S. mediation subcommittee, Ambassador Moreno assured the group that his formula was the only one that carried the endorsement of the Panamanian Government.

He told the group, diplomats said, that President Chiari had indicated to President Orlich that Costa Rican good offices were no longer required, though the offer was appreciated, inasmuch as the whole matter was being handled in the O.A.S. and a conciliation formula was under study by the United States.

#### Unified Offer Awaited

When Mr. Mann met with the subcommittee he indicated that the United States could not state its position on either the Moreno or the Boyd formula because it did not know which of them represented the Panamanian position.

Diplomatic sources said that Mr. Mann therefore had made it clear to the subcommittee that the United States had no choice but to await a unified Panamanian proposal.

Ambassador Moreno subsequently repeated his insistence that the formula he had submitted carried the full endorsement of President Chiari, but the diplomatic sources suggested that the United States was no longer certain to what extent the Panamanian President had the political situation in hand.

It was under these circumstances that Secretary Rusk said today that a way to resume